

**GOVERNMENT OF ANDHRA PRADESH**  
**ABSTRACT**

Prohibition & Excise Department – Andhra Pradesh – Export of RS / ENA / IS / DS– Proposal for exporting molasses based rectified spirit / Industrial Spirit Denatured Spirit and Extra Neutral Alcohol(RS/IS/DS/ENA) from the Andhra Pradesh State to newly created State of Telangana for the year 2014-15- Permission accorded –Orders-Issued.

-----

**REVENUE (EX.II) DEPARTMENT**

**G.O Ms.No. 296**

**Dated: 26th August,2014.**  
**Read the following:-**

1. G.O. Ms. No. 1129 Revenue (Ex-II) Dept., DT: 18.9.2008.
2. G.O. Ms. No. 1471, Revenue (Ex-II) Dept., DT: 10.12.2008
3. AP Re-organization Act, 2014.
4. From the CPE, letter Cr. No. 4563/2014/CPE/B1, Dt: 07.07.2014.

\*\*\*

**ORDER:**

In the letter 4<sup>th</sup> read above, the Commissioner of Prohibition and Excise, A.P., Hyderabad has stated that in view of the scarcity of molasses and spirit prevailing in the State, the Government of Andhra Pradesh have issued orders for the discontinuation of export of RS / ENA / IS / DS, with immediate effect vide G.O. first read above. Subsequently, the Government in G.O. 2<sup>nd</sup> read above have issued orders relaxing the ban duly permitting certain distilleries to export Grain based spirits to the tune of (50) % of their production and the facility to the Grain based Distilleries is being extended every year. The policy of permitting the export of Grain based ENA to the tune of 50% of their production is being continued, during this year also. However, no relaxation was made in respect of the export of Molasses based spirits.

2. In view of the bifurcation of the State as Government of Andhra Pradesh and State of Telangana, the Commissioner of Prohibition and Excise, A.P., Hyderabad has stated that the Molasses based spirit capacity in Andhra Pradesh was established by the Distilleries, keeping in perspective, the demand of IMFL / Industrial /Pharma units in the then combined state of Andhra Pradesh. Similarly, the IMFL / Industrial /Pharma units in the Telangana State have also built up their production capacities based on the availability of Molasses based spirit in the then combined State. Consequent to the enactment of the A.P. State Reorganization Act, 2014 & the bifurcation of the State into the Telangana & the Andhra Pradesh States, on 2<sup>nd</sup> June 2014, a mismatch has arisen in the demand and supply position of the Molasses based spirits.

3. As net result of the above, while on the one hand the Distilleries in Andhra Pradesh producing Molasses based spirit have been substantially deprived of their markets, which now fall in the Telangana State, on the other hand the IMFL /Industrial / Pharma units in the Telangana State have been deprived of their supply bases, which now fall in the State of Andhra Pradesh. The extant position is equally detrimental to the interests of the Distilleries producing Molasses based spirit in the State of Andhra Pradesh, as well as in the interests of IMFL / Industrial/ Pharma units in the Telangana State. The Commissioner of Prohibition and Excise, A.P., Hyderabad has therefore requested the Government to accord permission for exporting molasses based rectified spirit / Industrial Spirit Denatured Spirit and Extra Neutral Alcohol(RS/IS/DS/ENA) from the Andhra Pradesh State to newly created State of Telangana for the year 2014-15.

**Contd.P.2.**

**::2::**

4. Government after careful examination of the proposal, hereby accord permission to the Commissioner of Prohibition and Excise, AP, Hyderabad for exporting Molasses based rectified spirit; Industrial Spirit; Denatured Spirit and Extra Neutral Alcohol(RS/IS/DS/ENA) from the Andhra Pradesh State to newly created State of Telangana for the year 2014-15 subject to the following terms and conditions:

- a) The Molasses based Distilleries, located in the Andhra Pradesh State, shall be permitted, to export to the IMFL/Industrial /Pharma units located in the Telangana State only, the spirit to the extent of 266.5 Lakh BLs i.e., a quantity equivalent to the supply of Molasses based spirit made to the units located in the Telangana State, during the year 2013-14, by the Distilleries located in Andhra Pradesh.
- b) Permission accorded to export a quantity of 266.5 lakh BLs of Molasses based spirit, from the Distilleries located in the State of Andhra Pradesh to the units located in the Telangana State, shall be apportioned among the Distilleries in Andhra Pradesh, in proportion to the supplies made by these Distilleries of the Molasses based spirit to the units located in the Telangana State, during the year 2013-14.
- c) Permission for the export of Molasses based spirit, to the units located in the Telangana State, shall be on the express condition that the supplies shall be made to the units located in the Telangana State only and that the supplies shall not be diverted to units located in any other State.
- d) In the case of detection of diversion of the Molasses based spirit, to the units located outside the Telangana State, in contravention of the conditions under which the export permission was granted, action shall be taken against the Distillery concerned, as per the Andhra Pradesh Distillery (Manufacture of Spirit) Rules, 2006 besides the revocation of the permission granted for export.
- e) Permission for export shall be subject to payment of the Export Pass Fee and any other fees/levies payable as per the Rules.
- f) Permission for export shall be initially for the period of (1) year only, from the date of issue of these orders.
- g) Permission for export shall be reviewed on a quarterly basis, and is subject to modification in whatsoever manner deemed necessary, or being rescinded, as & when found warranted, by the Government.

5. The Commissioner of Prohibition & Excise, A.P., Hyderabad shall take necessary action in the matter accordingly.

**(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)**

**S.P. SINGH**  
**PRINCIPAL SECRETARY TO GOVERNMENT**

To  
The Commissioner of Prohibition & Excise A.P, Hyderabad  
Copy to:  
The PS to Principal Secretary to CM.  
The PS to Minister for Prohibition and Excise.  
The PS to Prl. Secy to Govt (SP).  
SF/SC

// FORWARDED::BY ORDER//

SECTION OFFICER

C.No. 21641/Ex-II(2)/2014